



Perfecting the Art of Mortgage LendingSM

CONVENTIONAL PRODUCT PROFILE

Effective on all loans Registered and/or Locked on or after 6/1/2008

FIRST MORTGAGE LIMITS

Units	Continental US	AK, HI, GU, VI
1	\$417,000	\$625,500
2	\$533,850	\$800,775
3	\$645,300	\$967,950
4	\$801,950	\$1,202,925

CREDIT HISTORY/ APPRAISAL FORMS

- Determined by Automated Findings; Property Inspection Alt Waivers (PIA/PIW) are not allowed; Reduced Appraisal Requirements not acceptable on DU

AUTOMATED UNDERWRITING

- AUS findings with LTV/TLTV higher than product matrix are **NOT acceptable** and do not reflect additional MI requirements
- LP A Minus is only eligible on all Fixed Rate 20, 30, 40 yr or 3/1, or 5/1 ARM. All other terms are ineligible.
- Must verify income in Minnesota regardless of AUS
- Declining property value, as indicated on the appraisal, as determined through an Appraisal Review, or as listed in the Declining Market list, the max allowed LTV must be reduced by 5%, regardless of AUS. If reduced LTV is over 80% the TLTV must also be reduced by 5% of the max allowed. Reduced LTV may not exceed 90%.
- <http://www.taylorbeanonline.com/RateSheets/Newsletter/decliningmarkets.xls>

FNMA DU MORTGAGES

- DU Approve Eligible Findings must be submitted by mortgage originator with original Credit Package and will not be accepted once file has been submitted to underwriting. Findings must be assigned to a seller/servicer and may not be custom. DU Approve/Eligible on all terms unless specified otherwise.
- DU Ineligible Mortgages: LTV over 95%, EA Level 1-4, Manufactured Home, Custom or Reduced MI, Balloon or Reset Mortgages, Special Initiatives or Pilot Programs

ELIGIBLE BORROWERS

- US citizen, Permanent Aliens, Non-Permanent Aliens, Non-Occupant Co-Borrower
- A signed IRS form 4506T is required for all borrowers regardless of incomes source or doc type. A final 4506T will also be required at time of closing.

ELIGIBLE PROPERTY TYPES

- Single Family 1-4 Units, Planned Unit Developments, Modular Homes, and Condominiums;
- Condominiums must follow published Condominium Guidelines and Project Approval
- If subject property is Second Home or Investment Property max of four (4) financed properties, including subject are allowed. No limit if subject property is Primary Residence.

INELIGIBLE PROPERTY TYPES

- Cooperatives, Unimproved land, Detached Manufactured Home Condominiums, Condotel, Container Homes, Multifamily dwellings containing more than 4 units, timeshares, tax sheltered syndicates, working farms and properties zoned commercial or industrial, syndicates listed for sale in the past 1 month (owner occupied) or 3 months (non-owner occupied).

RATE CHANGE AND CAP

- 1 Year and 3/1 ARM – 2/2/6
- 5/1, 7/1 and 10/1 ARM – 5/2/5
- Floor = Margin, Margin = 2.25, Start Rate = Note Rate
- Qualifying Rate 1 Year = Note Rate + 2%
- Qualifying Rate 3/1, 5/1, 7/1 and 10/1 = Note Rate
- Index = Most recent 1 Year LIBOR figure as available 45 days before the Change Date, as published in *The Wall Street Journal*
- Conversion to fixed is not available

SALES CONCESSIONS

LTV/TLTV	Primary & Second	Investment
90.01-97	3%	2%
75.01-90	6%	2%
0-75	9%	2%

FULL DOC

LTV w/o 2 nd	LTV w/ 2 nd	TLTV	HTLTV
Primary Residence 1-2 Unit Purchase and Rate/Term			
95 ¹	90	95 ¹	97
Primary Residence 1-2 Unit Cash Out			
90	85	90	95
Primary Residence 3-4 Unit Purchase and Rate/Term			
80	75	80	85
Primary Residence 3-4 Unit Cash Out Refinance			
75	70	75	80
Second / Vacation 1 Unit Purchase and Rate/Term			
95	90	95	97
Second / Vacation 1 Unit Cash Out			
80	80	90	95
Non-Owner Occupied 1-2 Unit Purchase and Rate/Term			
90	85	90	95
Non-Owner Occupied 1-2 Unit Cash Out			
80	80	85	90
Non-Owner Occupied 3-4 Unit Purchase and Rate/Term			
75	70	75	80
Non-Owner Occupied 3-4 Unit Cash Out			
70	65	70	75

1 – Max LTV/TLTV 95% unless Alt 97. DU Flex 97 not allowed.

MANUFACTURED HOMES

LTV w/o 2 nd	LTV w/ 2 nd	TLTV	HTLTV
Primary Residence Purchase and Rate/Term			
90	90	90	90
Second Home Purchase and Rate/Term			
90	85	90	90
Primary Residence Cash Out (max 20yr term)			
65	60	65	65

- MH ineligible on: DU loans, 40yr, Interest Only, and No MI Option
- Additional guidelines apply, refer to Credit Policy Manual

INTEREST ONLY

LTV w/o 2 nd	LTV w/ 2 nd	TLTV	HTLTV
Primary / Second Residence 1 Unit Fixed Rate (10/20) Purchase or Rate/Term			
95	90	95	97
Primary / Second Residence 1 Unit Fixed Rate (10/20) Cash Out			
90	85	90	95
Primary / Second Residence 1 Unit ARM Purchase or Rate/Term			
95	90	95	97
Primary / Second Residence 1 Unit ARM Cash Out			
75	70	75	80

INTEREST ONLY PERIOD

- Interest Only 10/20 fixed-rate mortgage – a 30 year fixed rate mortgage with a 10 year interest only period followed by a 20 year fully amortizing period
- ARM Offerings include a 3/1, 5/1, 7/1 and 10/1 ARMs with a 10 year interest only period followed by a 20 year fully amortizing period.

INTEREST ONLY QUALIFYING RATES

- Fixed Rate mortgages must qualify borrower based on fully amortized PITI calculated at the Note Rate
- Adjustable Rate mortgages must qualify borrower based on fully amortized PITI calculated at the higher of the Note Rate or the fully indexed rate (Index plus Margin)

INELIGIBLE MORTGAGES

- The following mortgage products are **NOT ELIGIBLE** for Interest Only.
 - 40yr Fixed, Manufactured Home, All Affordable Products, A-minus, 1-year ARM, Construction to Permanent Mortgages, Buydowns

LP REQUIREMENT

LP Accept or DU Approve Only. No Manual Underwriting.

MORTGAGE INSURANCE ELIGIBILITY

Property Type	Transaction Type	Exceeding LTV/TLTV/HTLTV	Requires Min FICO
All	Purchase/Rate/Term	80	620
All	Purchase/Rate/Term	95	680
Second	Purchase/Rate/Term	80	680
Investment	Purchase/Rate/Term	80	680
Primary	Cash Out	80	680
Second	Cash Out	80	Not Eligible
Investment	Cash Out	80	Not Eligible
Manufactured	All	80	660
Manufactured	All	90	Not Eligible
Condo	All	90	Not Eligible
A Minus Loans			
All	All	80	Not Eligible
Declining Market			
All	Cash Out	80	Not Eligible
All A Minus	All	80	Not Eligible
Investment	All	80	Not Eligible
Condo	All	80	Not Eligible
Manufactured	All	80	Not Eligible

MORTGAGE INSURANCE

LTV	Up to 40yr	Up to 20yr	MH up to 30yr	MH up to 20yr
95.01-97	35	35	NA	NA
90.01-95	30	25	NA	NA
85.01-90	25	12	30	25
80.01-85	12	6	17	12

Coverage may be reduced by LP Feedback only, DU Reduced MI not allowed. Custom MI not accepted.

NO MI OPTION

Max LTV	Max I/O LTV	Min FICO
Primary Residence 1-2 Unit Purchase and Rate/Term		
97	95	680
Primary Residence 1-2 Unit Cash Out		
90	90	700
Second / Vacation 1 Unit Purchase and Rate/Term		
90	90	680
Non-Owner Occupied 1-2 Unit Purchase and Rate/Term		
90	NA	680
Max DTI Table		
FICO 700+	Fixed Rate 50	ARM 45
FICO 680 – 699	Fixed Rate 45	ARM 40

- No MI ineligible for manufactured home, and buydowns; Subordinate Financing is not allowed with No MI; A Minus is not allowed with No MI; Not available through Correspondent channels at this time